



Reshaping the Defense Enterprise



The Honorable James I. Finley
Deputy Under Secretary of Defense
(Acquisition & Technology)

April 18, 2006



Strategic Conditions on 9/10/01



challenge is to transform not just the way we deter and defend, but the way we conduct our daily business. Let's make no mistake: The modernization of the Department of Defense is a matter of some urgency. In fact, it could be that it's a matter of life and death, ultimately, every American's."

Secretary of Defense Donald H. Rumsfeld, September 10,



Then Everything Changed . . .



We Must Never Forget September 11, 2001



The Strategic Environment Now

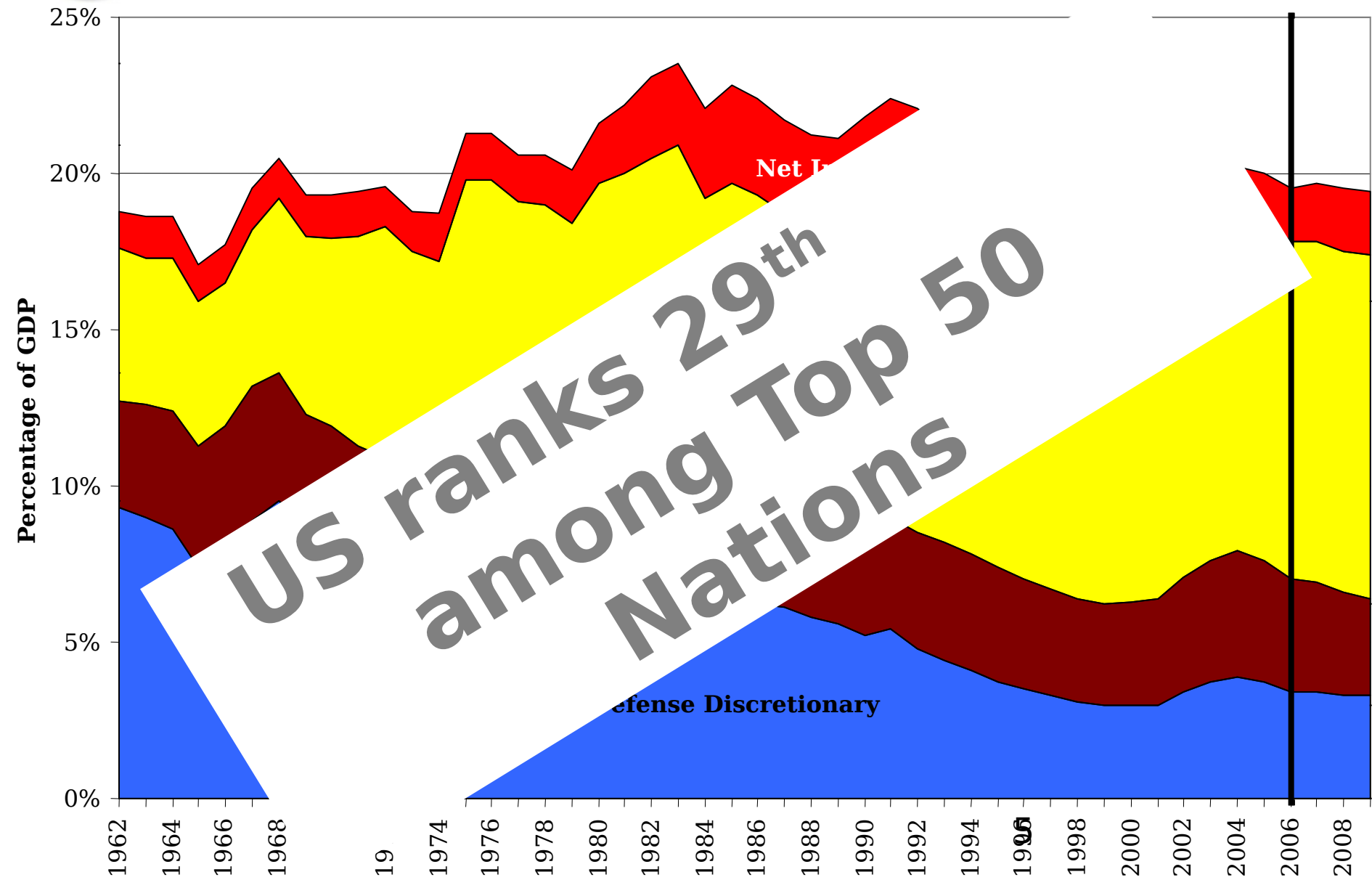


"This is the first such assessment conducted during a time of war, a war that is perhaps unprecedented in its **complexity**. It builds on several years of momentous **change** and on the lessons learned during the past four years of the global war on terror, peacekeeping operations, and yes, also several important humanitarian relief activities."

Secretary of Defense Donald H. Rumsfeld on the QDR



Federal Spending by Category as a Percentage of GDP





A Growing and Deep Concern



“...I am authorizing an integrated acquisition assessment to consider every aspect...every aspect...”

“Simplicity is desirable ... Restructuring acquisition is critical and essential.”

***Acting Deputy
Secretary of Defense***

***Gordon R. England
June 2005***

**Kicks Off QDR and
DAPA**



LOCKED AT THE HIP



USD AT&L
The Honorable Mr. Ken Krieg



VCJCS
Admiral Giambastiani

Testimony to the HASC, April 5, 2006

"Mr. Chairman, there is much underway in improving the effectiveness and efficiency of the Department of Defense. We are...I am...committed to this program of change." Ken Krieg

"In our efforts to improve the requirements process, we on the JROC and also on the Defense Acquisition Board are working collaboratively...I would say that Undersecretary Krieg and I would probably describe this as being locked at the hip..." ADM Giambastiani



Reshaping the Enterprise

QDR/DAPA/CSIS/DSB

STRATEGIC FRAMEWORK

MORE THAN 100
RECOMMENDATIONS
SORTED TO

**Business
Transformati**

"23"

**Lean
Six**

on ACTIONS - SHORT - MID - LONG SIGMA

**BIG "A"
IS
JOINT**

**CLOSURE
OF THE
"23"**

**REACH
OUT**

THE WILL TO CHANGE



Of the “23” - 11 Implement

Now

THE NUMBER ONE ISSUE

- **Value Added Oversight**
- Capital Accounts for Major Programs
- Time Defined Acquisition
- Concept Decision
- Joint Task Assignment Process
- Supply Chain Logistics
- Medical Transformation
- Consolidate Financial Databases
- Risk Based Source Selection Process
- Establish BOD for MDA and DLA
- Execute Business Management Transition Plan



Value Added Oversight

- Oversight – No.1 Issue of 42 issues
 - Need performance management systems
- Value Added Oversight
 - Strategic vs. Tactical Management
 - Portfolio vs. Program Management
- Establish conditions for success
 - Open and transparent communication/debate
 - Enable insight, trust and sharing of information
 - Promote accountability, understand consequences

An Era of Choices - Checks and Balances



Of the “23” - 11 Implement Now

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Concept Decision (CD)

National Military Strategy

JCS, OSD, COMPONENTS, COCOMS

JROC

CORPORATE
INVESTMENT
DECISION

NEEDS VS. WANTS

FAA, FNA, JCD, FCB,
ETC

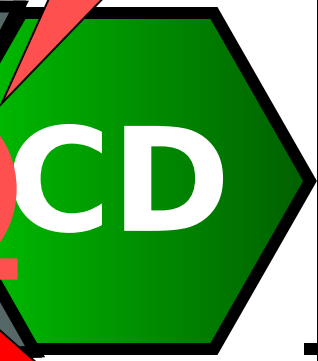
E
O
A

REQMTS
\$
RESOURCES
\$
ACQ/TECH

BOUNDED
SOLUTIONS

OPTIONS VS.

INSTRUMENT



AGILE ACQUISITION SOLUTIONS

DDR&E SCIENCE and TECHNOLOGY CONTINUUM, DARPA,
JCTD, ACTD, ATD...NATIONAL LABS...

INDUSTRY R&D INITIATIVES...COALITION PARTNERS...



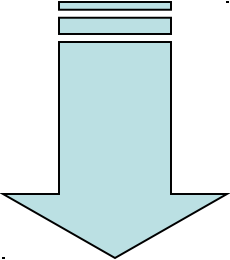
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Time-Defined Acquisition

Acquisition Strategy	Risk	Schedule	Performance
Rapid	Low	$0 < \text{Years} < 1$	High
	Medium	$1 < \text{Years} < 4$	High
	High	$4 < \text{Years} < 8$	High
Full			

IT IS ALL ABOUT RISK
MANAGEMENT



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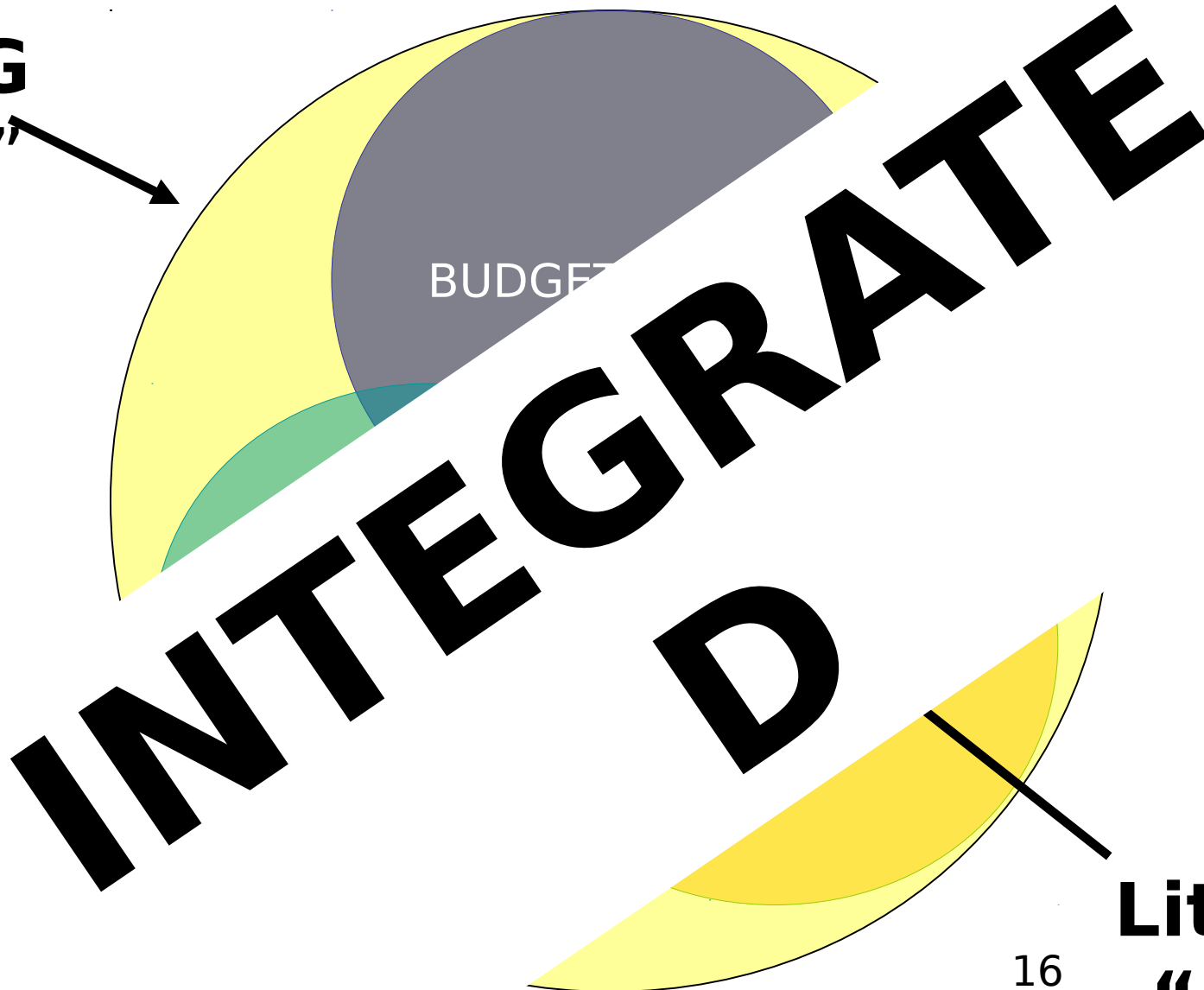
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THE WILL TO CHANGE



The Acquisition System

**BIG
"A"**



**Little
"a"**



BIG "A"

Joint Transformation

<u>Area</u>	<u>From</u>	<u>To</u>
Governance	Tactical	Strategic
Investment	Stovepipes	Enterprise
Programs	Service	Joint
Responsibilities	Ambiguous	Accountable



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Reach Out

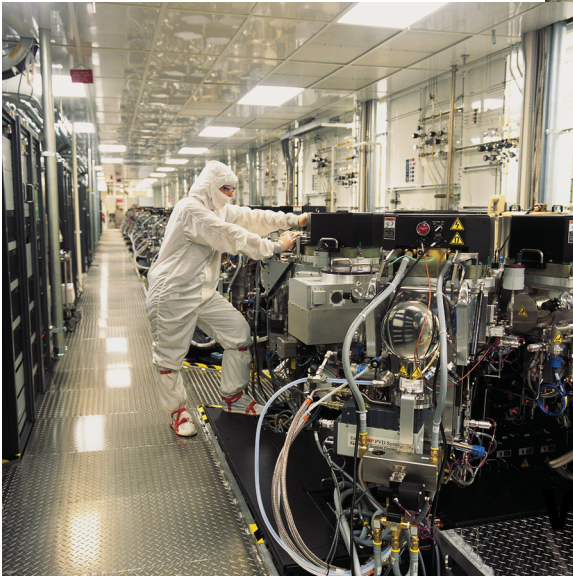
With our Congress



With our Coalition Partners



With our Industry . .

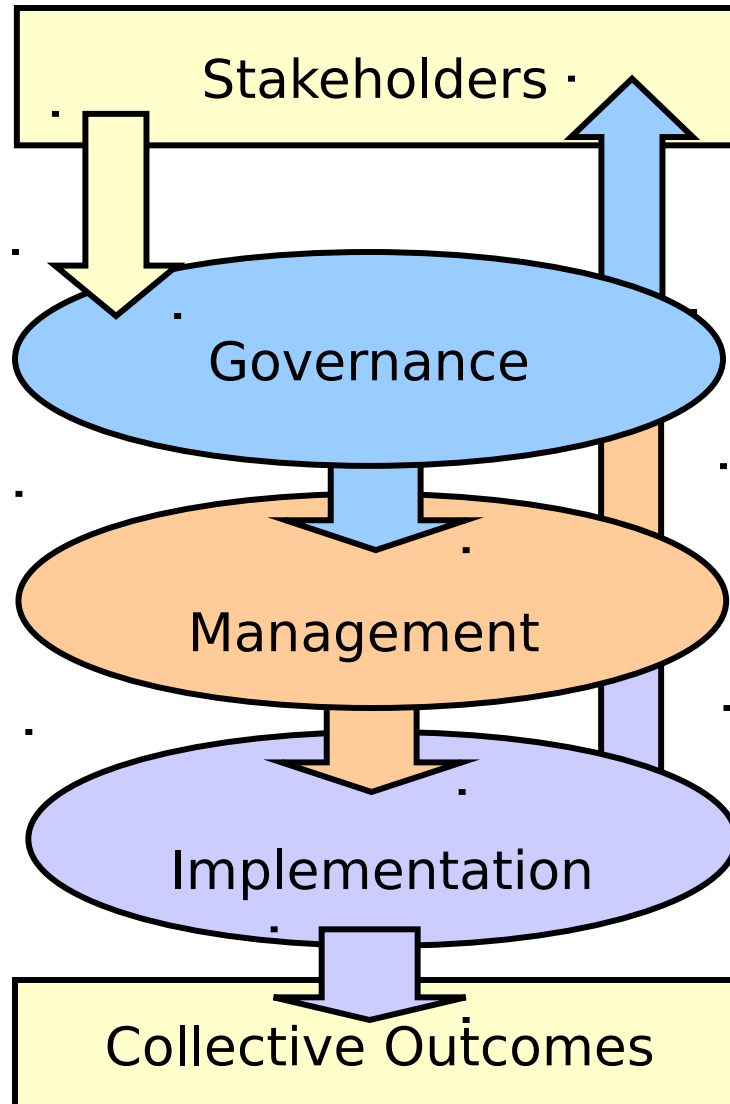


With our People . . .





Providing Checks and Balances





In Summary

**“The difficulty resides in having
the will to do anything about
those problems”**

- Norm

Augustine

February 2006

ACTIONS - SHORT - MID - LONG - TERM

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THE WILL TO CHANGE

- JOIN US -



Conclusion



We owe them our very best!!